From: mbs@mc.com@inetgw

To: Microsoft ATR

Date: 1/23/02 8:34am

Subject: Microsoft Settlement

The proposed settelment is a terrible idea and it may actually EARN Microsoft money instead f penalizing them for violating antitrust law.

by allowing them to give \$200 Million in hardware and \$800 Million (presumably calculated at full retail price, not volume discount price) what you are doing is giving them a \$1 Billion tax deduction in exchange for about a (and I am being generous to Microsoft here) \$250 Million cost.

This settlement would also give Microsoft an in in the educational market where they have traditionally not done well along with mind share with our children.

All in all, this seems like a money-making venture for Microsoft, as opposed to a penalty for violating Federal Law.

There was a counter-proposal from Red Hat Software for Microsoft to provide \$1 Billion in hardware, and Red Hat would provide equivalent (though Linux based) software for free. this solution has the distinct advantage of actually costing Microsoft \$1 Billion (although they still get the tax break) while not giving them a leg up in a new market. This settlement would also mean 5 times as many computers would get to the schools, a significant improvement I think.

However, I prefer Option 3. Make Microsoft give \$1 Billion (I would prefer \$4 Billion) in cash to these schools, to spend as they see fit, with the condition that not \$1 can be spent on Microsoft products. Because while I earn my living using computers, they are not very useful to a child who cannot read because his school does not have the resources to teach him how.

Sincerely, Mark Salisbury